



# NEWS RELEASE

GOVERNOR'S COMMUNICATIONS OFFICE

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## **BREDESEN OPENS MEDICAID CATEGORY EARLIER, WITH MORE GENEROUS ELIGIBILITY**

### **LEGISLATIVE APPROPRIATION KEY TO MEDICALLY NEEDY PRESERVATION**

**Nashville** - Governor Bredesen announced today that enrollment in the Medically Needy eligibility category of TennCare will open sooner and with more generous eligibility criteria than previously negotiated in April's Memorandum of Understanding, pending CMS approval. The Governor was joined by Speaker Jimmy Naifeh at today's announcement.

"Today, we go beyond our pledge to Medically Needy enrollees by opening enrollment in this Medicaid category sooner, and with less restrictive criteria for eligibility," Governor Phil Bredesen said. "Sound management of TennCare is beginning to show positive results, and no one has been more aware of the need to reinvest these positive results back into the program than Speaker Jimmy Naifeh."

"Today's good news to open slots for the sickest and neediest Tennesseans has been a joint effort as my colleagues and I have shared our constituents' concerns with the Governor and together are able to announce a more generous option for covering these medically needy TennCare enrollees," said Speaker Jimmy Naifeh.

TennCare's November budget recommendation to the Governor included re-opening the Medically Needy Spend Down category as early as April 2006 instead of July 1, the date originally agreed upon in the MOU. The State announced today that it will be prepared to begin bringing new enrollees on the program as early as February 1, pending CMS approval.

The category will also have a more generous set of eligibility criteria allowing more people to potentially qualify and sustain uninterrupted coverage for a full 12 months.

Medically Needy Spend Down is an optional Medicaid category offered by TennCare. It is designed to provide temporary healthcare coverage when a person has high unpaid medical bills that reduce their income to qualifying levels. Before legal relief from the April Memorandum of Understanding was negotiated with some enrollee advocates, this optional Medicaid category was to have been eliminated for everyone except children and pregnant women. The MOU allowed healthcare coverage for 100,000 non-pregnant eligible adults but with some tighter eligibility requirements. In addition to opening the category sooner, today's announcement provides medically needy applicants a full 12 months of coverage without proof of medical bill expenses every 3 months as outline in the original MOU. The new eligibility also triples the time frame for new applicants' unpaid medical bills from the MOU's 30 days to 90 days.

TennCare is Tennessee's expanded Medicaid program, providing health insurance coverage to 1.2 million Tennesseans including 640,000 children. For more information about the TennCare program or to access this news release online, visit <http://www.tennessee.gov/tenncare>.

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Editor's note: Below is a chart detailing the evolution of the medically needy spend down category.

| PRE-MOU PROGRAM DESIGN  | ORIGINAL MOU<br>(APRIL 26, 2005)  | ACCEPTED RECOMMENDATIONS<br>(DEC. 6, 2005)   |
|---|---|--|
| Category eliminated.<br>Population disenrolled*                                       | Enrollment scheduled to<br>re-open in July 2006   | Opens enrollment earlier for<br>current MNSD enrollees<br>(as early as February 1,<br>2006)    |
| Coverage terminated<br>after current period of<br>eligibility. Enrollment<br>closed.* | Twelve month eligibility<br>period with quarterly<br>spend down requirement                       | Full year eligibility period<br>once qualified without<br>proving spend down each<br>quarter   |
| No date restriction on<br>unpaid medical bills for<br>new enrollees                   | Unpaid medical bills<br>must be incurred within<br>past 30 days for new<br>enrollees              | Unpaid medical bills must be<br>incurred within past 90 days<br>for new enrollees              |
| Category open to<br>unlimited number of<br>pregnant women and<br>children only        | Category capped at<br>100,000 lives plus<br>unlimited number of<br>pregnant women and<br>children | Category capped at 100,000<br>lives plus unlimited number<br>of pregnant women and<br>children |
| Loss of pharmacy<br>coverage during<br>disenrollment process                          | Same pharmacy benefit<br>as non-institutionalized<br>Medicaid adults                              | Same pharmacy benefit as<br>non-institutionalized<br>Medicaid adults                           |

\*except for pregnant women and children

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